

Congressman Sander M. Levin
Opening Statement
House Committee on Ways and Means
Hearing on Retirement Policy Challenges and Opportunities of our Aging Society
May 19, 2005

As Prepared For Delivery

Today, this hearing widens the circle of issues relating to retirement security discussed in testimony before this Committee. Attempts to widen the lens in this or any other hearing will not blur the focus on Social Security privatization.

The centerpiece of consideration of Social Security was stated unmistakably by President Bush in the State of the Union address—private accounts. That was the focus of the 60 day tour of the President and his administration officials. It was reiterated by the President at his recent press conference. Different colleagues, including the Chairman and others on and off this Committee have used different phrases to the same effect: *to “put together a package which . . . meets the test the President said he wanted to meet.”* “*What we are talking about, whether you look at (my bill) or any other bill in Congress, or the President's framework, what we are talking about is personal accounts that are inside of Social Security.*”

Confronted with private accounts as the top proposal on the agenda, we Democrats have made it our first task to go to the public, and discuss the facts about the proposals put forth by the President that would make up private accounts.

The more the public has learned, the less they have supported them—young or old or those in the middle, across all demographic lines

Today many of our witnesses will discuss other issues facing our country in the coming years, as our population ages and the number of retirees grows. These are important issues which we should address in a thoughtful, fiscally responsible way.

Indeed, the changing picture regarding privately based pension programs has fortified the public's understanding of the strength of social security—a guaranteed benefit – a defined benefit – for retirement, as well as for the disabled and surviving children.

Since 1983, the number of defined benefit pension plans has dropped by more than two-thirds. These new defined contribution plans have largely replaced defined benefit plans, rather than increasing the total number of people with retirement coverage, which remains stuck at about 50 percent of workers despite substantial increases in limits on tax-free savings.

Recent pension plan failures provided a stark reminder of how important Social Security's guaranteed benefit is to many workers.

The seriousness of the challenge to the rest of our retirement system increases, rather than decreases, our commitment to preserving Social Security's guaranteed benefits for future generations, not cutting benefits and replacing them with risky private accounts.

The seriousness of the challenge of paying the cost of health care for our aging society increases, rather than decreases, our commitment to fiscal responsibility and our opposition to borrowing trillions of dollars to finance private accounts.

The President's demand for privatization stands in the way of opening up a truly bi-partisan discussion to strengthen, not replace Social Security.